



**DEPARTMENT OF INSURANCE
STATE OF ARIZONA**

Financial Affairs Division – Tax Unit
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018-7269
Phone: (602) 364-3998
Fax: (602) 364-3989

INSTRUCTIONS FOR INDUSTRIAL INSUREDS

For assistance please call (602) 364-3998

PART 1 - CERTIFICATION STATEMENT Form E-INDINS.CERTIFICATION

A Certification Statement (**Form E-INDINS.CERTIFICATION**) must be completed and filed with the Arizona Department of Insurance by an Insured that procured coverage from an Unauthorized Insurer for insurance on risks or exposures wholly or partially located in the state of Arizona, to:

Certify that it either meets the definition and *qualifying criteria** prescribed in A.R.S. § 20-401.07

OR

To claim exemption from the definition and certify that it does not meet the *qualifying criteria*.*

*The *qualifying criteria* are prescribed in the definitions below.

“Industrial Insured” means an Insured that applies for or procures any insurance subject to A.R.S. Title 20, Chapter 2, Article 4.1 through the use of a Risk Manager and meets at least TWO of the following criteria:**

- Had \$100,000 or more in aggregate annual gross premiums for **Property and Casualty risks** that are subject to A.R.S. Title 20, Chapter 2, Article 4.1 as of the preceding fiscal year end of the Industrial Insured. (See A.R.S. § 20-382 for exceptions)
- Possessed a net worth of over \$10,000,000 as of the preceding fiscal year end of the Industrial Insured as verified by a Certified Public Accountant.
- Had net revenues or sales exceeding \$25,000,000 as of the preceding fiscal year end of the Industrial Insured as verified by a Certified Public Accountant.
- Had more than 80 full-time or equivalent employees **OR**, its holding company system had more than 100 full-time or equivalent employees as of the date the policy was issued.

“Risk Manager” means a full-time employee of the Industrial Insured or a third party consultant who is retained by the Industrial Insured, who provides skilled services in loss prevention, loss reduction, risk and insurance coverage analysis and the purchase of insurance and who **possesses at least one of the following qualifications:**

- A Baccalaureate or higher degree in Risk Management that is issued by an accredited College or University.
- A designation as a chartered Property and Casualty underwriter that is issued by the Insurance Institute of America.
- A designation as a Certified Insurance Counselor that is issued by the Society of Certified Insurance Counselors.
- A designation as an Associate in Risk Management that is issued by The Insurance Institute of America.
- A designation as a Certified Risk Manager that is issued by the National Alliance for Insurance Education and Research.
- A designation as a fellow in Risk Management that is issued by Global Risk Management Institute.
- Any other similar qualification that, before the employee or consultant applies for or procures any insurance, the Director determines is sufficient, other than a license as an agent or broker.

PART 2 - PREMIUM RECEIPTS TAX RETURN Form E-INDINS.Tax

1. PERSONS REQUIRED TO FILE PREMIUM RECEIPTS TAX RETURN AND PAY THE TAX:

Every Industrial Insured which procures, or causes to be procured, or continues or renews insurance with any unauthorized or unapproved insurer, or any Industrial Insured as a self-insurer who so procures or continues excess loss, catastrophe or other insurance upon a subject of insurance resident, located or to be performed within this State, **other than insurance procured through a surplus lines broker**, shall complete and file this return with the Director of Insurance, together with payment of the tax, in accordance with the provisions of A.R.S. § 20-401.07. To determine whether your insurance policies are issued by a company that is not authorized or approved to do insurance business in the State of Arizona, you may contact the Department at (602) 364-3998.

INSTRUCTIONS FOR INDUSTRIAL INSUREDS

2. WHEN, WHERE AND HOW RETURNS ARE TO BE FILED:

This return shall be filed with the Department of Insurance at the address shown above **on or before March 1 for transactions that occurred in the previous calendar year period.** If report space is inadequate, insert additional pages and number the pages.

3. PAYMENT OF PREMIUM RECEIPTS TAX:

Payment of the premium receipts tax levied by A.R.S. § 20-401.07 shall be remitted with the return. Checks or money orders must be made payable to the Arizona Department of Insurance.

4. ADDRESS OF THE INDUSTRIAL INSURED:

The current business address and telephone number of the Industrial Insured, including the street and number, city, state, and postal zip code number shall be entered in the space provided.

5. NAME AND ADDRESS OF THE UNAUTHORIZED INSURER:

The complete current name and business address, including the street number, city, state, and if in the United States, postal zip code number of the unauthorized or non-admitted insurer issuing the policy shall be entered in Column B, except that in the instance of insurance procured through London Brokers qualified to enter the Underwriting Room at Lloyds', London, England (also known as a "Lloyds' Broker"), neither (1) the name and address of the Lloyds' Broker or Brokers need be entered, nor (2) the name and address of the Lloyds' Underwriter or Underwriters or other insurers need be entered in Column B, provided that the insured shall furnish, upon the request of the Director of Insurance: (1) the name and address of the Lloyds' Broker or Brokers through which the insurance was effected, and (2) the name and address of the insurer or insurers issuing the insurance, and shall enter in Column B, the phrase "Lloyds' Broker."

6. DATE PREMIUM CHARGED:

The date on which the Insured paid or became obligated to pay the premium shall be entered in Column F, entitled "Date Premium Charged."

7. GROSS PREMIUM:

The term "gross premium" shall include all premiums, membership fees, assessments, dues, and any other consideration for insurance less premiums returned on account of cancellation or reduction of premium. If the premiums were written, procured, or received in the State of Arizona or the premiums were on policies negotiated in the State of Arizona, an asterisk (*) shall be entered in the sub-column immediately to the right of the monetary amount under Column G. Carry over to Column H the entire monetary amount entered in Column G and indicate "100%" under the appropriate subdivision of Column H if the premium charged is for insurance on risks or exposures located entirely within the State of Arizona.

8. AMOUNT OF PREMIUM ALLOCATED TO RISKS OR EXPOSURES LOCATED IN ARIZONA:

The portion of the premium allocated to risks or exposures located in Arizona shall be expressed in both percentages and monetary amounts in Column H. Carry over to column H the entire monetary amount entered in column G and indicate "100%" under the appropriate subdivision of Column H, if the premium charged is for insurance on risks or exposures located entirely in the State of Arizona. Enter in the subdivision of Column H, designated "Apportionment Code", the appropriate Code letter or letters to indicate the standard or combination of standards considered in determining the portion of the premium allocated to the State of Arizona, only if less than 100% of the premium reported in Column G is entered in Column H. The Code letters indicating the standards of apportionment are located on **Forms E-INDINS.ALLOCATION and E-INDINS.TAX.**

9. CERTIFIED STATEMENT OF RISK PERCENTAGE ALLOCATIONS:

An Industrial Insured that claims its contract with an unauthorized insurer covers risks or exposures only partly in this state must also file **FORM E-INDINS.ALLOCATION** to certify its risk percentage allocations, pursuant to Arizona Administrative Code R20-6-207(H).

10. SIGNATURE AND DATE:

If the return is filed for a corporation, partnership, trust, etc., the name of the organization or entity shall appear by the signature of an officer or other person authorized to act for the insured entity making the return and the officer or other person so signing shall type or print his name and title below his signature. The date of signing or execution of the return shall be placed in the appropriate blank space.

MAKE ALL CHECKS PAYABLE TO:

ARIZONA DEPARTMENT OF INSURANCE

AND MAIL CHECK WITH REQUIRED REPORTS TO:

Attention: TAX UNIT

ARIZONA DEPARTMENT OF INSURANCE
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